

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Room 3416, 700 West Capitol Avenue
Little Rock, Arkansas 72201

AR NOTICE CMA-4

For: All FSA County Offices

**Beneficial Interest for Producer's Marketing
Commodities Through Riceland Foods, Inc.**

Approved by: State Executive Director



1 Overview

A Background

Questions have been received from County Offices concerning when beneficial interest is lost by producers who market their commodities through Riceland Foods, Inc. Also Riceland Foods, Inc., has been receiving inquiries concerning if growers who signed booking, hedge-to-arrive or basis contracts deliver into Grower's Option and fill the contract later. This time delay of going through Grower's Option would allow a grower to watch the market until time to fill his contract and obtain a LDP in addition to the contract price.

2 Purpose

A Guidance for Determining Beneficial Interest for Commodities Marketed through Riceland Foods, Inc.

To provide guidance for determining when beneficial interest is maintained or lost when using marketing programs provided by Riceland Foods, Inc.

3 A Beneficial Interest Policy for Riceland Foods, Inc., Marketing Programs

Producers who market their commodities through Riceland Foods, Inc., and maintain beneficial interest in the commodity, may obtain a loan or LDP through either Riceland Foods, Inc., or the local County FSA Office.

(Continued on next page)

Disposal Date

Indefinite

09-27-2004

Distribution

All County Offices

3 A Beneficial Interest Policy for Riceland Foods, Inc., Marketing Programs (Continued)

Producers delivering to Riceland Foods, Inc., loan eligible pool (Members Seasonal Pool) are **NOT eligible for loans or LDP's through County FSA Offices**. Riceland Foods, Inc., will determine when a loan or LDP will be obtained on the commodity. Beneficial interest is lost when the commodity is sold by Riceland Foods, Inc., for the member.

The commodity must be in Riceland Foods, Inc.'s, Grower's Option and have beneficial interest in the commodity to be eligible for loan or LDP through a County FSA Office. Producers must request LDP eligibility by using form CCC-633 LDP. Beneficial interest is lost when the commodity is sold by Riceland Foods, Inc., for the member. **Note:**

Commodities that have been booked or contracted are NOT eligible to be put into Grower's Option. Beneficial interest is lost when the producer delivers the commodity to Riceland Foods Inc.

Producer's who deliver to a Riceland Foods, Inc., direct purchase pool or against a contract (Non-Member Cash Purchase Program, Member Cash Purchase, Forward Booking Contracts, Basis Contracts, or Hedged-to-Arrive Contracts) must have filed a Form CCC-709 at the County FSA Office prior to harvest of the commodity to be eligible for an LDP. CCC loans are not available to producer's who deliver to a Riceland Foods, Inc., direct purchase pool or against the previously listed contracts. Beneficial interest is lost when the producer delivers the commodity to Riceland Foods, Inc.

4 C County Office Action

County Offices shall ensure that all producers are notified of the beneficial interest determinations when marketing commodities through Riceland Foods, Inc., by all available means. Address any questions concerning this notice to Tony Franco, Price Support Division, at 501-301-3052.